
E-learning: is it really the best thing since sliced bread?

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Abstract

Feels the e-learning industry has been the victim of a lot of hype, without producing the growth that has been expected by commentators and players within the industry. Seeks to explain why the e-learning has fared better in the USA than elsewhere, and highlights some of the problems that e-learning providers and clients face to prevent the expected level of growth. Shows that e-learning has a valid and beneficial role to play, and outlines some of the areas where it can play a useful role: in particular for training in a regulatory environment, for training large numbers of geographically-dispersed people, and for reducing time spent on topics such as induction and product training. Discusses the issue of "blended" learning in this context, showing how e-learning is best used as a complement to traditional methods of training and should not be viewed as a replacement.

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The entire training industry has been excited almost to the point of exhaustion by the advent of e-learning, the great enabler and the answer to everybody's dream. HR and training managers, training content providers, computer manufacturers, Internet service providers, venture capitalists . . . everyone who could conceivably have a stake in it has put a stake in it. The problem is, there are few whose fingers have not been burned.

"But e-learning is supposed to be huge," you say. Indeed. According to John Chambers of Cisco Systems, who must now be rivalling Shakespeare and the Bible for the number of times he is quoted, e-learning was going to make normal e-mail usage look like a rounding error. It has not, yet. The European e-learning market is supposed to become worth \$6 billion by 2005, according to IDC. But we are already nicely settled into 2002 and that looks like a challenging goal, to say the least.

It is not my intention to sound pessimistic, because e-learning *is* great, and it has the potential to be everything that it is cracked up to be. But the industry has suffered from a lot of hype and suppliers and customers need to look at e-learning in perspective.

It is hardly surprising that most of the predictions about the e-learning market come out of the USA. The sheer size of the market, both geographically and demographically, not to mention the fact that the USA is generally perceived to be two to three years ahead of the rest of the world (at least in training and development) mean that the market is much more developed.

Other forces are at work, too. The threat of recession in the USA meant that organisations cut back on business travel in 2001 (here is a true story: I was at a trade show in Florida in June 2001 and during the afternoon of the main day of the exhibition there were more exhibitors in the hall than there were visitors); and after 11 September individuals cut back on travel, full stop. Videoconferencing and e-learning traffic increased proportionately and the gurus gushed at the vindication of their efforts.

However, the UK market is a different kettle of fish. It has tremendous potential, but what has so far stopped it from achieving the size that many have been predicting?



Well, first of all, the very fact that we cannot agree on the terminology is an indication of the confusion in the market:

- elearning;
- e-learning;
- E-learning; or
- eLearning?

Or is it, in fact:

- online learning;
- virtual learning; or
- distance learning?

Is it just Internet, or CD-ROM as well? Does it mean synchronous tutoring using videoconferencing, or HTML pages, or something else entirely? . . . OK, so I am being slightly facetious, but there is a serious point to be made: it is all very well for me to talk to a potential client about an e-learning solution, but we spend half the meeting making sure we are both talking about the same thing. No wonder customers are confused.

Then there is the fact that some industries have been going through a little bit of a tough time at the moment. It is an oft-quoted fact that, when things get tough, training budgets are among the first to be cut. As an e-learning company, we might take solace from the fact that, very often, an e-learning initiative does not come out of the training budget; but it is a big risk for an organisation to spend what could be a substantial amount of money, whichever budget line it impacts, on an innovation whose benefits are largely unproven. In uncertain times, it is a lot to ask.

Added to this is the lead time for sales, and the cost. Sure, over a period of time e-learning can be cost-effective, but the start-up costs can be substantially more than those for traditional methods of learning.

First of all you need a delivery platform, or a portal, or a VLE (virtual learning environment), or an LMS (learning management system), or an LCMS (learning content management system) . . . there we go with a proliferation of confusing terms again! Depending on the size and complexity of the system you want that could take six months to choose and as long again to implement. The bigger and more complex the system, the more time-consuming and expensive it is to buy and implement – and at the end of the day are you sure you actually *need* all that stuff?

Then, once you have the means to deliver the learning, you need some content. There is plenty of off-the-shelf e-learning content that is cheap and quick to buy, but it is generic, and does not quite do what you want it to. So you decide to commission some bespoke content that is tailored to your business. The production company's quote is thousands more than you can afford . . . so they produce it for you at a loss because then they can put you on their client list.

All right, so that is a somewhat worst case scenario, but it is small wonder that e-learning providers are merging, right-sizing, or simply shutting up shop for lack of positive cashflow. Most, if not all, providers have been hanging on by their fingertips for the last year or so. In the past few months there have been some surprising changes in the market, such as US-based McGraw Hill, that pulled the plug on Xebec, its UK e-learning subsidiary. Everyone thought that Xebec would be a survivor precisely because of the multi-million dollar organisation behind it.

Despite all this, e-learning is starting to take off in the UK, and a number of e-learning providers are now in serious danger of making some money. Anyway, the casualties are undoubtedly part of the necessary settling of the marketplace, even if it was a surprise who some of those casualties were.

There are very few pieces of research that even guess the size of the e-learning market (in financial terms) in the UK, as opposed to the USA or worldwide. A survey carried out by *Training Magazine*, during the summer of 2001, indicated that nearly 50 per cent of the organisations surveyed expect to be delivering learning via the Internet within the next three years. That is very encouraging, even if we do not know how much they are going to spend, and many organisations are indeed seeing the benefits of adopting a new approach to training and development. So, what is e-learning proving to be good for?

Training in a regulated environment

The financial services industry in the UK is becoming increasingly regulated, especially since the financial services authority took the reins as the single regulator at the end of 2001. The increase in regulation means more training of staff and the requirement to prove

compliance (along with stiff penalties for non-compliance), both of which mean an increase in costs, and in the amount of time that needs to be spent undergoing the training.

Knowledge = Power worked with Deloitte & Touche to create and deliver a tailored e-learning programme to raise awareness of and combat money laundering. Deloitte & Touche needed to be able to train 7,000 staff in the UK and, most important, to be able to prove that the training had been done. Bearing in mind the penalties for the firm and individuals, let alone the reputational damage, if assisting, failing to report or tipping off money launderers is proved, the importance of providing good training cannot be overstated.

The course we created comprises 14 learning modules, ranging from *The History of Money Laundering*, to *The Structure of Money Laundering* and *The Reporting Procedure*. Using a generic version of the course as a basis, our developers worked with experts at Deloitte & Touche to build a customised version for the firm. Staff are able to take the course at convenient times, “chunking” the learning so that they can complete it without having to take a full day out of the office. The ability to test Deloitte & Touche’s staff was an important part of the course, and this was fulfilled by a series of games and “exams”, the contents of which depend on the part of the organisation in which the learner works. The firm’s compliance managers can view the results of these tests in order to prove to the regulator that the training has been done and that a minimum pass mark has been achieved.

Training a geographically dispersed workforce

Still within the financial services sector, Norwich Union has used e-learning to add value to their services to independent financial advisers (IFAs). They identified a requirement to assist and support IFAs in the development of their generic knowledge.

We had actually worked with Norwich Union before, creating CD-ROM-based revision aids for the Advanced Financial Planning Certificate (AFPC). Following the

client’s success in distributing these CD-ROMs to the IFA network, we helped them to develop, create and publish five online courses of generic knowledge (including the AFPC material). These programmes were made available to IFAs through Norwich Union’s extranet, first as a pilot and then rolled out to the entire network.

It is, I think, fair to say that using any other methods to provide so much training to the IFAs would have been impossible, or at the least prohibitively expensive. Instead, Norwich Union are able to raise their profile in the IFA community, increase their intermediaries’ knowledge and skills, and demonstrate the value they place on the network, for a little over £10 per person.

Induction and product training

E-learning can also help to cut the time and cost of induction and product training. Have you ever totted up the cost of introducing new employees to your organisation? The time (and therefore the opportunity cost) spent in meetings with departmental heads, the managing director, the inductee’s “corporate buddy”, and with everybody else who has to explain the company ethos, product range, systems and procedures, etc.?

This is not to say that those meetings are not critical, but would it not be great to have the inductee work through much of the administrative information in a more time-effective way – possibly even before he or she actually walks into the building on day one? And, when information changes, you can easily update the content, so that every inductee gets up-to-date material at the same time.

Such a course can provide similar benefits to other employees, as well. To update a large or dispersed workforce in one go, quickly and easily, with exactly the same information, can help to eradicate the problems that occur when some team leaders are better at briefing than others, or when the manager of one regional office was on holiday for two weeks and so had to delay briefing his team.

These are just a few examples of where e-learning can be used effectively. It can save money (in the medium to long term if not immediately) and it will certainly offer

time-saving benefits. If you have a geographically diverse workforce, particularly a large one, you can ensure that there is consistency and timeliness to the information you provide. If you have testing and tracking capabilities (and if you do not then your e-learning provider is doing you a great disservice) then you will know how your employees are getting on, and for the manager and training manager this will be invaluable in establishing where an individual needs more development. This also is a key benefit in a regulated industry, where it is vital to be able to prove that the required training has been undertaken.

E-learning versus classroom learning

When e-learning first came on the scene, people very much got the impression that there was a choice: are you going to do classroom training, or e-learning? That was probably one of the reasons why e-learning has taken longer to get off the ground than the pundits thought it would. All of a sudden, everyone realised that it was not a case of one or the other, and there followed a veritable flood of articles expounding the case for “blended learning”. People (including the e-learning providers, I promise) understand that there are some things that cannot be taught solely by e-learning. Imagine taking a course on appraisal interviews that is taken entirely online – you can learn all the techniques and procedures, and you can even learn the right thing to say in a certain situation. But you can only learn the right thing to say in response to the examples that are given on screen and, unfortunately, human nature and behaviour is a little more complex than that. You need to have the opportunity to role-play; for example, experiencing the interaction with a person sitting in the same room, getting feedback from a trainer – after all, an interview requires two people (at least).

The use of e-learning in a blended approach (others will say “integrated”, but I am a bit tired of trying to juggle jargon!); however, it comes back to the benefits I listed earlier. First, before they even come into the training room, all your delegates can learn the “theories” behind the appraisal interview –

how to set out the interview room, what an appraisal should and should not be about, etc. You have provided a test as part of the e-learning, so you know where each delegate’s strengths and weaknesses are. So, when everyone is gathered in the training room, you have three advantages:

- (1) You know that everyone has learned the theory, so you do not waste half a day covering what some of the class already know.
- (2) You can focus on role plays and discussion of the “soft” skills involved in an appraisal – listening skills, questioning, for example.
- (3) You also know from the tests that, while Gillian, the accounts manager, understands all about objective setting, Tamsin, from the call centre, really has not got it. You can focus your attention on them accordingly.

Use this approach and, not only might you manage to cut down the length of the classroom course, but there is a good chance that you will achieve more in that time than you do normally.

Conclusion

In the middle of 2001, people were beginning to get a bit gloomy about e-learning. The market was not growing as fast as expected and everyone was suffering somewhat from “e-learning fatigue”. There were more conferences and exhibitions about the subject than you could shake a stick at, and shortly after customers stopped going to them, so did the exhibitors.

But the market is growing and, even though there have been some surprises as companies have pulled out or merged (and I am sure there are more to come), more and more organisations are making the decision to implement e-learning – and actually doing it. This is good news indeed, and the more proof that we have that e-learning has worked for this or that organisation, the easier it will be for other companies to make the same decision.

Once you have managed to transcend the jargon barrier, the best thing to do is to decide what you want to get out of your e-learning project. “I want to save costs” is,

unfortunately, not really good enough. But if you focus on what the learning has to achieve – whether it is to fulfil your regulatory obligations, cut down new employees' induction by 50 per cent, or reduce your classroom training sessions from two-day courses to one-day courses – there is a good chance that you will see the cost benefit anyway, making the outlay a lot easier to justify.

And, at the end of the day, remember that it is just a complementary way of doing what

you have always done: learning. Tim Gibson, one of the founders of Knowledge = Power, and our technical director, was asked once for a definition of e-learning. I hovered, notebook at the ready to transcribe his pearl of wisdom. After a few moments he said:

It's learning with an "e" in front of it. If we spent more time thinking about the second part of the word than we do the first, then maybe we'd realise its potential a lot quicker.

John Chambers had better watch his back!